

March 12, 2003

CHAIR
PETER HERZOG
COUNCILMAN
CITY OF LAKE FOREST

TO: Local Agency Formation Commission

FROM: Assistant Executive Officer

VICE CHAIR
ARLENE SCHAFER
DIRECTOR
COSTA MESA
SANITARY DISTRICT

SUBJECT: Business Report

RANDAL J. BRESSETTE
COUNCILMAN
CITY OF LAGUNA HILLS

The following provides your Commission with a second quarter business report for FY 2002-2003. The report includes a status update on the current LAFCO budget and updates your Commission on the progress of the annual audit and upcoming personnel changes.

CYNTHIA P. COAD
SUPERVISOR
FOURTH DISTRICT

LAFCO Budget

On June 12, 2002, you Commission adopted a final budget for all LAFCO operations for FY 2002-2003 with expenditures (less revenues) totaling \$930,920. The County, cities and special districts equally divide this cost, each paying \$310,308. Attached to this report (see Exhibit 1) is a current summary of LAFCO revenues and expenditures as of January 31, 2003, by budget category, for your review.

CHARLES V. SMITH
SUPERVISOR
FIRST DISTRICT

SUSAN WILSON
REPRESENTATIVE OF
GENERAL PUBLIC

Staff is in the process of preparing a draft LAFCO budget for FY 2003-2004. We anticipate presenting the draft budget to your Commission at the April 10, 2003 meeting. Commission adoption of the final FY 2003-2004 budget is scheduled for May 12, 2003.

ALTERNATE
ROBERT BOUER
MAYOR
CITY OF LAGUNA WOODS

Annual Audit

As an independent government agency, LAFCO is now required to have its financial statements audited by an independent certified accounting firm. On February 7, 2003, your Commission ratified a contract with Moreland & Associates, Inc. to conduct LAFCO's audit for FY 2001-2002. The audit is currently underway and will be completed by for review by the Audit Committee and the full Commission at the end of this month.

ALTERNATE
RHONDA McCUNE
REPRESENTATIVE OF
GENERAL PUBLIC

ALTERNATE
JAMES W. SILVA
SUPERVISOR
SECOND DISTRICT

Personnel

As part of their ongoing support of the Unincorporated Islands Program, the County provided LAFCO with funding for a two-year limited term position to supplement staff's efforts on the Unincorporated Islands Program. Policy Analyst Jay Wong filled this position and has been on loan to LAFCO from the County Executive Office since October 2000. The County graciously extended the length of this limited term position in October 2002 for an additional six months to provide ongoing support for the Islands Program. At the end of April 2003, after 30 months of dedicated service with LAFCO, Jay will be returning to his previous position with the County Executive Office.

ALTERNATE
CHARLEY WILSON
DIRECTOR
SANTA MARGARITA
WATER DISTRICT

DANA M. SMITH
EXECUTIVE OFFICER

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LAFCO 2003 Work Plan

Attached, for your information (see Exhibit 2), is a summary of the LAFCO 2003 Work Plan. The Work Plan priorities were developed and adopted during the Commission's January 2003 Strategic Planning Session.

Bob Aldrich

Attachments:

Exhibit 1 - LAFCO Revenues and Expenditures Summary
Exhibit 2 - LAFCO 2003 Work Plan